

Islamic Republic of Afghanistan

National Solidarity Program
Herat, Farah, Wardak, Kabul, Logar, Bamyan.Provinces

Proposal to the Government of Italian Republic

Ministry of Rural Rehabilitation & Development, Kabul
October 2008

Cover Page

Applicant	Ministry of Rural Rehabilitation & Development (MRRD) National Solidarity Program (NSP)
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Brief Description	<p>The program has the following components for which funding is sought:</p> <ul style="list-style-type: none"> i. block grants to rural communities for reconstruction and/or development activities; ii. consultants for community facilitation – formation of community development councils (CDCs), formulation of community development plans and sub-project preparation; iii. facilitating the sustainability of CDCs through appropriate legislation and capacity development of CDCs to function outside the NSP framework; iv. project implementation and management support. 	
Development Objectives	<p>The National Solidarity Program aims to (i) promote and strengthen good local governance at the community level; (ii) support the creation of community-managed social and productive infrastructure that increases access of rural communities to basic and essential services; and (iii) create a sustainable and cost-effective service delivery instrument at the village level.</p>	
Performance Indicators	<p>Objective 1: Inclusive local governance:</p> <ul style="list-style-type: none"> • Number of communities with Community Development Councils established • Number of communities with women represented in Development Councils <p>Objective 2: Improved access to social and productive infrastructure and services:</p> <ul style="list-style-type: none"> • Number of communities with funded projects completed or under implementation <p>Objective 3: Service delivery</p> <ul style="list-style-type: none"> • Number of labor days created by sub-projects 	
Sector	Livelihoods & Social Protection: Community Led Development	
Location	Herat, Farah, Wardak, Kabul, Logar and Bamyan provinces	
Total Cost	XXX million Euro	
Implementing Agency	Ministry of Rural Rehabilitation & Development	
Implementation Period	01 November 2008 till 31 st September 2009 (Extendable)	
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1. Program Description

- 1.1. The National Solidarity Program (NSP) began as a component of the Emergency Community Empowerment & Public Works Project in June 2002. It became a fully fledged National Priority Program (NPP) in 2003 under Afghanistan's National Development Framework and is currently the flagship program of the Government with its outreach extending to nearly half the rural population across all 34 provinces of the country. The NSP lays the foundation to establish and strengthen community level governance and supports community-managed sub-projects. It promotes a development paradigm that empowers communities to make decisions and control resources during all stages of the project cycle. In accordance with government policy, the program strengthens local governance - working to make it more inclusive (e.g. women, returnees, minorities) - and supports the planning and implementation of community-based sub-projects that invariably generate labour for the poor or near-poor as well as stimulating local economies. The NSP is executed by Ministry of Rural Rehabilitation and Development (MRRD) on behalf of the Government of Afghanistan.
- 1.2. The outcomes of the National Solidarity Program will be (i) the consolidation of a framework for village level consultative decision-making and representative local leadership as a basis for interaction within and between communities on the one hand, and with the administration and aid agencies on the other; (ii) the capacity to identify and prioritize community needs, formulate community development plans and deliver sub-projects, and (iii) capacity to execute and deliver community-based infrastructure and human capital development sub-projects that would generate employment and promote primary productivity that will lead to a decrease in poverty.

2. Strategic Context

- 2.1. Since its inception, the National Solidarity Program has covered 251 districts and 28 provincial centres (rural communities) in all 34 provinces throughout Afghanistan. As of 30 November, 2006, over 22,009 communities have been mobilized with 21,652 Community Development Councils elected representing an estimated 17.5 million people. A total of 24,228 community priority sub-projects have been completed with 43,085 sub-project proposals approved. A total of US \$514.8 million has been disbursed directly to communities for their priority sub-projects.
- 2.2. Communities have consistently prioritized rural productive and social infrastructure projects for their block grants¹. And communities are able, on average, to implement two sub-projects with their \$200 per family allocation. Nearly 60% of all projects involve productive infrastructure such as irrigation, roads and village electrification thereby facilitating primary production and stimulating local economies. A further 26% of projects involve safe water and sanitation which assures better health for the communities. More than 80% of all labour generated by the sub-projects is absorbed from within the communities giving the poor and near-poor income-generating opportunities. Such community-based sub-projects have also proven to be a most cost-effective delivery mechanism for rural infrastructure.

3. West and Central Regions:

¹ The percentage breakdown of project type is as follows: 26% drinking water and sanitation, 18% irrigation, 21 % roads and bridges, 15 % electrification, 10% livelihoods and income generation, and 10% other (including health clinics, agricultural, emergency response, and construction of public buildings).

- 3.1. The Western Region of Afghanistan consists of a diverse ethnicity and challenging physical constraints in tandem with continuing border issues with the neighbouring Islamic Republic of Iran. Farah is one of the least-served provinces in this region with poor infrastructure and a continued drought that has increased the rate of desertification dramatically. As a result, the natural resource base has depleted to the point where livestock and subsistence crops no longer provide viable incomes for a majority of its inhabitants. Migration into Iran and to Pakistan (through Nimroz province) has increased and a remittance economy has proved to be crucial to the economic survival of many families. Poor infrastructure and high illiteracy rates continue to prevent the development of a livelihoods base upon which interventions can assist the local population. The region remains relatively insecure with criminality on the increase and the incursion and settlement of insurgents remains high.

Herat province shares the same border with Iran but has enjoyed a very different relationship, building upon existing trade links with Iran for mutual economic benefit. The resultant higher quality infrastructure, Iranian economic investment, trade exchanges of primary commodities and labour has greatly benefited the north-eastern and central parts of the province. The southern half of the province still experiences food insecurity and lack of access issues. The overall stability of the province has been deteriorating over the past several years, with increasing criminality and recent riots over the dissatisfaction of the local government administration.

- 3.2. The central region of Afghanistan includes the provinces of Kabul, Bamyan and Wardak. The geographical area is covered by mountainous terrain, with approximately 18% of the area made up of flat land. Agriculture represents the main source of income for the majority of the households in Bamyan and Wardak, with 61% of the population in Kabul deriving income from trades and services.

The provision of basic infrastructure services such as water, sanitation, energy, transport and communications are key elements required to provide increased employment and accelerate agricultural productivity in Bamyan and Wardak, whereas Kabul is the centre of trade and commerce and it is key to promote economic growth, employment creation and poverty reduction.

- 3.3. Presently NSP has been working in 56 districts of six selected provinces of west and central regions. In the remaining 8 uncovered districts, 3 districts of Kharwar (Logar) and Bakwah and Golistan (Farah) fall in the areas where security is not suitable to implement the programme and there are increased insurgents activities. As of 21 September 2008, programme status are as follows:

Province	Communities Contracted	Community Mobilization ongoing	Development Councils Elected	Development Plans Completed
Bamyan	614	614	614	614
Farah	422	422	422	422
Herat	1146	1146	1138	1138
Kabul	625	625	625	600
Logar	500	532	511	500
Wardak	802	802	802	802
Total	4109	4141	4112	4076

Please review the National Solidarity Programme Implementation Progress as of 21st September 2008 including districts, please review the table attached as annex II.

4. Provincial Status:

4.1. Herat:



Herat is the hub for business activities mainly due to its accessibility to Iran and Turkmanistan as both the countries has borders with the province. In general security is good in Herat comparing to other parts of the country. However, Building the capacities, opportunities and security of extremely poor and vulnerable Afghans through a process of economic empowerment is essential in order to reduce poverty and increase self-reliance. The level of economic hardship in Herat is reasonably high. More than one-third (35%) of households in the

province report having problems satisfying their food needs at least 3 – 6 times a year, and more than a quarter (27%) of households faced this problem up to three times a year. A third (33%) of the population in the province is estimated to receive less than the minimum daily caloric intake necessary to maintain good health. This figure is higher for the rural population with 36% than people living in the urban area with 22%. In both rural and urban areas around two-fifths (58%) of the population has low dietary diversity and poor or very poor food consumption.

As part of major investments in the province, The construction of Salma dam on Harirud River in Chest-e-Sharif has restarted recently. Work on asphaltting two main roads i.e. from Herat to Qandahar and Herat to Badkhis is going on. National solidarity Programme is one of the largest national programs which almost covers the whole 16 districts of this province.

UN Habitat, DACAAR, IRC, CHA and NPO/RRAA as Facilitating Partners are mobilizing 1146 communities within 16 districts of Bamyan province establishing 1146 CDCs. As of 21st September 2008, 2107 subprojects proposals have been submitted, 2107 subprojects proposals have been approved, and 1660 subprojects have been partially or fully financed. Of the 1660, 974 subprojects have been completed while the remaining are ongoing.

Within Herat province, sub-projects selected by communities have included 313 road construction and repair, 724 irrigation systems and drinking water systems, 304 construction of schools, 178 power projects (electricity) and 141 health, agriculture and income generating activities (e.g. tailoring, carpet weaving) projects amongst others. As of 21st September 2008, US\$ 27 million has been disbursed by NSP as community block grants for financing 1660 subprojects in this province.

4.2. Bamyan:



Bamyan is one of the poorest, most mountainous, and agriculturally least productive areas in the country. Much of the land is barren and inaccessible, with acute water shortages, small landholdings, extensive food insecurity, and poor soil quality characterizing much of the region. While specific communities in Bamyan have benefited from short-term relief and development efforts and some infrastructure improvements, substantial need for well-planned initiatives remains.

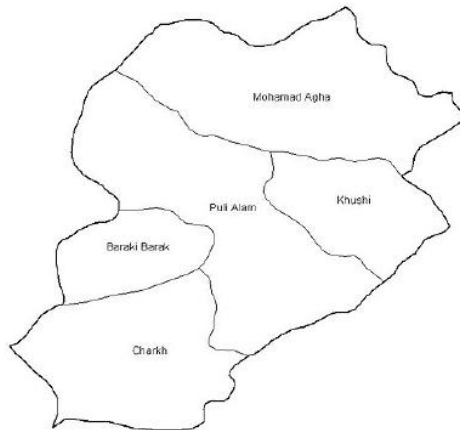
There are few major investment projects in Bamyan and, in the current political climate, it is becoming increasingly difficult to encourage donors to invest in areas such as the Central Highlands as the majority of donor funding is diverted to the provinces in the south of Afghanistan. The Italian government have committed to constructing the majority of the road from Kabul to Bamyan, via the Hajigag pass in Wardak province.

The Japanese government is also discussing supporting a road project from Bamyan centre to Band-e Amir, through Mullah Ghulam, for approximately US \$20 million. USAID and the PRT are supporting secondary road projects in the province and NGOs in the area are involved in several areas of development including agriculture, education, health, microfinance and community development. The National Solidarity Programme (NSP) is an important source of investment in the province and a key development activity. NSP is being implemented by both UN Habitat and AKDN in Bamyan.

UN Habitat and AKDN as Facilitating Partners are mobilizing 614 communities within 7 districts of Bamyan province establishing 614 CDCs. As of 21st September 2008, 1404 subprojects proposals have been submitted, 14000 subprojects proposals have been approved, and 1217 subprojects have been partially or fully financed. Of the 1217, 834 subprojects have been completed while 383 are ongoing.

Within Bamyan province, sub-projects selected by communities have included 260 road construction and repair, 357 irrigation systems and drinking water systems, 104 construction of schools, 419 power projects (electricity) and 54 health, agriculture and income generating activities (e.g. tailoring, carpet weaving) projects amongst others. As of 21st September 2008, US\$ 15,7 million has been disbursed by NSP as community block grants for financing 1217 subprojects in this province.

4.3 Logar:



Logar Province is located in 60 km south of Kabul Province. This is a plain area with irrigated and rainfed agricultural land. The major natural resources of this province are Ainak copper mine and Mohammad Agha mine. Farmers of Logar Province are growing wheat, maize, onion and potato. They also have fruit orchards of grape, apple, apricot, and rainfed almond. And they are selling their products in the local and neighboring provinces markets. Milking cows, sheep, goat and chicken are having important role in their daily diet since there is no market therefore, the number of these animals are also few. Regarding fishery there is no any interest

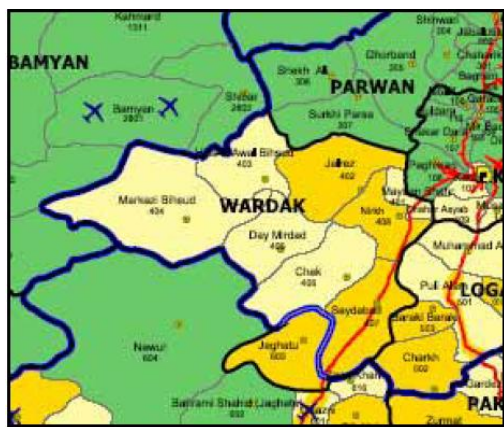
and peoples are not used to eat fish or establish any farm for it. Regarding supply of agriculture services, development activities and marketing there is a big gap. The security situation in Logar Province is better except Karwar District because sometimes some problems of security existed there. All districts of Logar province except Karwar where security does not look promising and increased insurgents activities exist are included in the National Solidarity Programme.

IRC as Facilitating Partners are mobilizing 532 communities within 7 districts of Logar province establishing 532 CDCs. As of 21st September 2008, 1437 subprojects proposals

have been submitted, 839 subprojects proposals have been approved, and 765 subprojects have been partially or fully financed. Of the 765, 499 subprojects have been completed while 266 are ongoing.

Within Logar province, sub-projects selected by communities have included 144 road construction and repair, 252 irrigation systems and drinking water systems, 28 construction of schools, 274 power projects (electricity) and 67 income generating activities (e.g. tailoring, carpet weaving) projects amongst others. As of 21st September 2008, US\$ 13.5 million has been disbursed by NSP as community block grants for financing 765 subprojects in this province.

4.4 Wardak:



Wardak province is situated on the southern outcrops of the Hindu-Kush mountain range. It is a strategic province in the Central Region of Afghanistan sharing borders with Parwan and Bamyan to the north, Kabul and Logar in the east, and Ghazni to the south and west. The province covers an area of 9,023 km². More than four-fifths of the province (84.1%) is mountainous or semi mountainous terrain while a little more than one-tenth of the area (11.4%) is made up of flat land. Wardak has a total population of 529,343. There are around 83,984 households in the province, and households on average have 6 members. The following table shows the population by district:

District	Population
Maidan Shar, Provincial Centre	35,008
Jalrez	44,873
Hissa-i-Awali-Bihsud	25,079
Markazi-Bihsud	94,328
Daimirdad	28,865
Jaghatu	46,667
Chaki Wardak	83,376
Sayed Abad	114,793
Nirkh	56,354

Nearly all of the population of Wardak (99%) lives in rural districts. Around 51% of the population is male and 49% is female.

The provision of basic infrastructure such as water and sanitation, energy, transport and communications is one of the key elements necessary to provide the building blocks for private sector expansion, equitable economic growth, increased employment and accelerated agricultural productivity. In Wardak Province, on average only 22% of households use safe drinking water. Nearly nine in ten households have direct access to their main source of drinking water within their community, however around one in ten of households (12%) has to travel for up to an hour to access drinking water.

In terms of meeting the basic requirements for energy, there is one electric dam on the Logar River at Chak producing 3,300 kilowatts of electricity with only one of its three turbines

operating. On average 9% of households in Wardak province have access to electricity but only 1% of households have access to public electricity.

The transport infrastructure in Wardak is quite well developed, with around a quarter (27%) of roads in the province able to take car traffic in all seasons, and over half (57%) able to take car traffic in some seasons. However, 16% of the province has no roads at all.

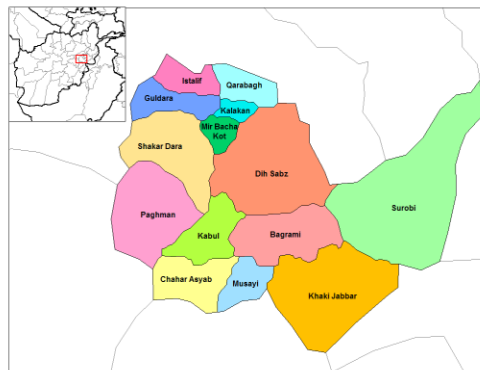
The overall literacy rate in Wardak province is 25%, however, while more than one third of men are literate (38%), this is true for just over one tenth of women (10%). In the population aged between 15 and 24 the situation for men is slightly better with 43% literacy, whereas for women the figure shows a decrease to 8%. The Kuchi population in the province has particularly low levels of literacy with just 2.4% of men and a tiny number of women able to read and write.

Among the Development programmes of Government of Afghanistan, National Solidarity Programme covers all 9 districts of Wardak province.

Swedish Committee for Afghanistan and CARE International as Facilitating Partners are mobilizing 802 communities within 9 districts of Wardak province establishing 802 CDCs. As of 21st September 2008, 1556 subprojects proposals have been submitted, 1553 subprojects proposals have been approved, and 1536 subprojects have been partially or fully financed. Of the 1536, 921 subprojects have been completed while 615 are ongoing.

Within Wardak province, sub-projects selected by communities have included 265 road construction and repair, 500 irrigation systems and drinking water systems, 75 construction of schools, 481 power projects (electricity) and 67 health, agriculture and income generating activities (e.g. tailoring, carpet weaving) projects amongst others. As of 21st September 2008, US\$ 19.4million has been disbursed by NSP as community block grants for financing 1536 subprojects in this province.

4.5 Kabul



Kabul province is Located in the Central Region and is bordered by the provinces of Parwan in the Northwest, Kapisa in the Northeast, Laghman in the East, Nangarhar in the Southeast, Logar in the South, and Wardak in the Southwest. The province covers an area of 4585 km². More than half of the province (56.3%) is mountainous or semi mountainous terrain while more than one third of the area is made up of flat land (37.7%). The province is divided into 14 districts, plus the provincial capital, Kabul City.

The provision of basic infrastructure such as water and sanitation, energy, transport and communications is one of the key elements necessary to provide the building blocks for private sector expansion, equitable economic growth, increased employment and accelerated agricultural productivity. In Kabul province, on average 65% of households use safe drinking water. This rises to nearly three quarters (71%) in the urban area, but falls to under half (41%) of households in rural areas. More than nine-tenths of households (92%) have direct access to

their main source of drinking water within their community; however 7% of households have to travel for up to an hour to access drinking water.

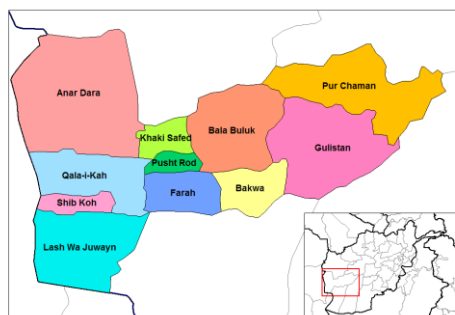
Building the capacities, opportunities and security of extremely poor and vulnerable Afghans through a process of economic empowerment is essential in order to reduce poverty and increase self-reliance. The level of economic hardship in Kabul is reasonably low. One-fifth of the households in the province (20%) report having problems satisfying their food needs at least 3 – 6 times a year and a further fifth of households (20%) faced this problem up to three times a year, whereas over half (57%) of households never experience problems of this kind,

Kabul also has a number of other bodies which play an active role in development planning at the local level. There are District Development Assemblies active in 1 district in the province, involving 32 men and 24 women members. The DDA has its own District Development Plan. There are also 625 Community Development Councils in the province which are active in development planning at the community and village level.

Sanayee Development Organization, and ActionAid International as Facilitating Partners are mobilizing 625 communities within 15 districts of Kabul province establishing 625 CDCs. As of 21st September 2008, 1597 subprojects proposals have been submitted, 1586 subprojects proposals have been approved, and 1463 subprojects have been partially or fully financed. Of the 1463, 1127 subprojects have been completed while 336 are ongoing.

Within Kabul province, sub-projects selected by communities have included 516 road construction and repair, 448 irrigation systems and drinking water systems, 137 construction of schools, 48 power projects (electricity) and 95 other projects like health, agriculture and income generating activities (e.g. tailoring, carpet weaving) projects amongst others. As of 21st September 2008, US\$ 21.3 million has been disbursed by NSP as community block grants for financing 1463 subprojects in this province.

4.6 Farah



Farah province is located in the western part of the country, bordered by Hilmand in the east, Nimroz in the south, Herat in the north, Ghor in the northeast, and Iran in the west. The province covers an area of 47,786 km². Nearly half (46%) of the province is mountainous or semi mountainous terrain while the other half of the area is made up of flat land (49.9%).

Around 93% of the population of Farah lives in rural districts while 7% lives in urban areas.

Around 51% of the population is male and 49% is

female. The security situation in Farah is reasonably good except the provinces of Bakwah and Gulistan.

UN Habitat as Facilitating Partners is mobilizing 422 communities within 5 districts of Farah province establishing 422 CDCs. As of 21st September 2008, 1130 subprojects proposals have been submitted, 1130 subprojects proposals have been approved, and 1060 subprojects have been partially or fully financed. Of the 1060, 930 subprojects have been completed while 130 are ongoing.

Within Farah province, sub-projects selected by communities have included 358 road construction and repair, 586 irrigation systems and drinking water systems, 66 construction of schools, 13 power projects (electricity) and 38 health, agriculture and income generating activities (e.g. tailoring, carpet weaving) projects amongst others. As of 21st September 2008, US\$ 14.5million has been disbursed by NSP as community block grants for financing 1060 subprojects in this province.

5. Future of NSP

- 5.1. Over the next four years, MRRD envisions the completion of the roll-out of the program to the entire country including the completion of all sub-projects selected and funded through block grants and top-up block grants awarded to ‘graduated’² CDCs based on strict criteria. The goal of the government is to scale-up the NSP to cover all of the estimated 22,618 communities in the country by September 2009 and roll out to an additional 30623 communities starting March 2009 to be completed by March 2012.
- 5.2. Full coverage of the country would assure equity and thereby solidarity across all rural communities without bar. Furthermore, MRRD envisions the village governance structures set up to continue functioning in a meaningful and sustainable manner to which end the project will facilitate the development and adoption of an appropriate legal framework that would legitimize CDCs and their role in community-led development and facilitate the bottom-up participation of CDCs in district and provincial level development planning.
- 5.3. The total budget need for the 4109 contracted and existing CDCs in the selected provinces of Herat, Kabul, Farah, Bamyan, Logar and Wardak has been US\$ 190 million from which US\$ 157.5 million has been made available by NSP donors. Existing and immediate **shortfall** to cover the financing needs for the existing 4109 communities is US\$ 32.5 million and if timely funding is secured, we will be able to reach 100% of our target for disbursement and completion of proposed subprojects by 21 September 2009.
- 5.4. Full coverage of all districts within the six preferenced provinces which is planned to take place in March 2009 needs establishment of an additional 2049 villages with a budget requirement of US\$ 94.5 million. Once the FPs are contracted for the roll out to the new communities in March 2009, the CDCs will be established by October 2009 and Community Development Plans (CDPs) will be finalized by December 2009. By June 2010 at least one project from each 2049 CDCs will be approved and receives their first instalment and by June 2011 at least one project from Each CDCs will be completed. By March 2012 all projects are expected to be finalized and submit their completion reports. Our roll out plan to the new CDCs will be as follows:

² ‘Graduated’ CDCs are those that have gone through two full years of training and successfully utilized both the initial and follow-up block grants.

Province	Communities Contracted	Community Mobilization ongoing	Development Councils Elected	Development Plans Completed
Bamyan	75	75	75	75
Farah	439	439	439	439
Herat	943	943	943	943
Kabul	161	161	161	161
Logar	118	118	118	118
Wardak	313	313	313	313
Total	2049	2049	2049	2049

- 5.5. The NSP continues to increase its focus on CDC sustainability by facilitating the development of legislation that would provide a legal framework under which CDCs can become the legitimate bodies through which development assistance and public investments are channelled at the community level. Legal experts and community development consultants have been hired to draw up appropriate draft legislation drawing on regional and international best practice through a consultative process involving relevant government ministries. MRRD will take the lead in advocating for and assuring the adoption of such draft legislation into law by the cabinet and parliament. The consultants will also draw up a Terms of Reference for CDCs to operate as mandatory service delivery instruments for community-based productive and social infrastructure through any means of public investment. The ground work on this component has started such as stakeholder consultations on the potential content of the legislation, reviews of similar legislation from the region and draft terms of reference for the consultancies.

6. Rationale for Donor Involvement

- 6.1. NSP remains one of the most significant development initiatives in Afghanistan today. A recent World Bank review of the National Solidarity Program rated NSP satisfactory in its implementation progress. Significant progress has been achieved against National Solidarity Program's stated goals and objectives due in large part to the financial support of donors.
- 6.2. A program the size and reach of NSP could not have been implemented by the Government of Afghanistan without the generous support of donors. Financial and technical support provided by donors has been invaluable in the evolution of the program over the last four years. Throughout the next three years of the program, donor generosity will continue to be of fundamental importance to the success of NSP's goals - rural capacity building, economic development, good local governance, and national unity.

7. Specific Work Plan

- 7.1. From November 2008 to September 2009, NSP will continue its activities in the current 4109 communities and mobilize the existing communities and help communities elect Community Development Councils (CDCs) using a participatory and transparent process. In addition, these communities will formulate and complete their Community Development Plans (CDPs) and design and prepare more than 8700 sub-project proposals with the help of FPs, which will then be submitted to the NSP provincial management unit for review. During the above period, 8700 sub-project proposals will

be approved covering a wide range of sectors, and a total of 8700 subprojects will be financed.

- 7.2. The overall required NSP budget for to respond to the financing needs of existing 4109 communities contracted during the period of November 2008 –September 2009 will be around USD 32.5 million. Ministry of Rural Rehabilitation and Development anticipates the grant from the Government of Italian Republic to reduce this funding gap and responds to the existing need within preferenced provinces of Herat, Farah, Wardak, Kabul, Logar and Bamyan budget. Considering other critical development intervention of Italian Government in these provinces.
- 7.3. Full coverage of all districts within the six preferenced provinces which is planned to commence in the period March 2009 till March 2012 needs establishment of an additional 2049 villages not covered yet under the current phases with a budget requirement of US\$ 94.5 million. Once the FPs are contracted for the roll out to the new communities in March 2009, the CDCs will be established by October 2009 and Community Development Plans (CDPs) will be finalized by December 2009. By June 2010 at least one project from each 2049 CDCs will be approved and receives their first instalment and by June 2011 at least one project from Each CDCs will be completed. By March 2012 all projects are expected to be finalized and submit their completion reports.

8. Implementation Methodology

- 8.1. As the NSP begins mobilizing a new community, the facilitating partner (FP) holds preliminary discussions with key stakeholder groups in the community to introduce NSP. The community must confirm their interest in participating in the program in a community-wide meeting. If interested, the FP then helps the community complete a Community Profile that identifies the number of families and other socio-economic indicators.
- 8.2. After the number of families is identified by examining a variety of sources (community meetings, consultations with the local mullah(s); existing lists for community contributions for *ashar*, mosque repair, etc.; and/or collection of signatures of heads of households), a Community Development Council is established through an election. When setting up the election and throughout the entire CDC development process, measures are taken to promote inclusiveness for women, returnees, and different socio-economic, factional, and ethnic/tribal sub-divisions within the community.
- 8.3. The election of the Council follows a number of rules including: every person who is entitled to vote in government elections is eligible to vote and to be members of the CDC; each registered voter has one vote; voting is conducted through secret ballot; at least 60% of the community must vote for the election to be valid, etc. Upon election of the CDC, the CDC members elect officers to serve as Chairperson, Deputy-Chairperson, Treasurer, and Secretary.
- 8.4. A Project Management Committee—comprised of elected members of the community and/or CDC— is also elected in a community-wide assembly and is designated to withdraw funds and procure goods and services on behalf of the community.
- 8.5. The Facilitating Partner assists the community in developing a Community Development Plan and an eligible sub-project proposal(s), specifying how it chooses to use its Block Grant. Two types of sub-projects may be financed by NSP: public infrastructure and

human capital development. Once the Community Development Plan is prepared, the community must select which sub-project(s) will be targeted for Block Grant financing and prepare a sub-project proposal.

- 8.6. While the FPs guide the sub-project implementation, it is expected that the primary responsibility for sub-project implementation is with the community, including both the CDC and greater community. The Facilitating Partner supports the community during the sub-project implementation by providing technical assistance and oversight related to procurement of goods and sub-contractors, organization of the CDC, and supervision of construction quality, etc. Additionally, the FP trains CDC members in skills needed to comply with NSP Operations, including book-keeping, procurement procedures, and operations and maintenance.
- 8.7. In order to ensure the long-term sustainability of the sub-projects, operations and maintenance is critical. The communities are required to establish an O&M Committee or otherwise designate who will be responsible for O&M duties which include: submission of quarterly reports, progress reports, developing and updating a Public Notice Board, facilitating community-wide meetings, and maintaining NSP logbooks.

9. Monitoring and Evaluation Plan

- 9.1. The following three types of M&E are conducted within NSP:
 - Implementation monitoring of on-going sub-projects which focuses on measuring progress against work plans (outputs) and the quality of facilitation and community participation (processes).
 - Post-Implementation monitoring of completed sub-projects which focuses on the quality of completed sub-projects (how well they are designed and constructed) and sustainability (the community has adequate arrangements for operations and maintenance).
 - Program Evaluation provides a more in-depth assessment of development outcomes and impacts, the effectiveness and efficiency of implementation (institutional arrangements, policies, procedures, and management systems).
- 9.2. In addition to monitoring results, NSP Management and the FPs are responsible for tracking program activities and inputs. Program activities are specified in work plans and include the coordination, technical assistance, training, procurement, and other tasks undertaken by program implementers.

10. Financial Management

- 10.1. NSP financial management department focuses on two primary roles. The first is the overall execution of detailed financial management tasks, including accounting, periodic reporting, establishment of appropriate internal procedures and controls. The second relates to the disbursement of block grants to eligible sub-projects of communities between minimum US\$ 5,000 and max. US\$ 60,000 per community.
- 10.2. For accounting purposes, the government's budgeting and accounting systems are used. The project follows standard Afghan government financial management policies and procedures, including using the Chart of Accounts developed by the Finance Ministry to record all project expenditures.

11. Budget (I) Existing Shortfall (for the period: 01 November 2008 till 31st September 2009)
and

Components	New Contribution
Block Grant to Communities	23.4
Facilitating Cost including consultants services and training	7.2
Management Costs	1.9
Total	32.5

12. Budget (II) Complete Roll out/Full Coverage (for the period March 2009 till March 2012).

Components	New Contribution
Block Grant to Communities	68.2
Facilitating Cost including consultants services and training	20.7
Management Costs	5.6
Total	94.5

Annexes:

NSP Operational Manual IV

NSP Technical Annex

NSP Status Report in the six selected provinces as of 21 September